

Narrator:

For World AIDS Day 2009, America.gov spoke with Ambassador Eric Goosby, U.S. Global AIDS Coordinator for the President's Emergency Plan for AIDS Relief, also known as PEPFAR. We took questions from America.gov's Facebook page. Frankie asked why pharmaceutical companies quote – refuse to give patents to African counterparts to enable them to reduce the cost of anti-retrovirals – unquote.

Ambassador Eric Goosby:

Pharmaceutical companies are generally, in fact almost exclusively for-profit. They're companies that are looking to increase their profit margin. The truth of the matter is that to develop an anti-retroviral — that first anti-retroviral saquinavir, ritonavir — in 1994-96 that came out — took eight or nine years of research and development to develop. It costs hundreds of millions of dollars by any standard to develop one drug, and you don't know if that drug will have efficacy, will be effective. You don't know if that drug will have side effects that will preclude the ability to continue to give it to a patient for the duration, and you don't know if there will be long-term side-effects, so a person who has been on a drug for 10 years — are there other problems that show up much later. So, drug manufacturing, drug development, developing new pharmaceutical agents is a risky business. Most attempts fail. So, drug companies are, because they ask their investors to invest the money and anticipate that they'll get a return for their dollar, are in a situation where they're constantly looking to expand their market, and they're looking to increase the profit that they bring in for the research and development dollar that they've invested. That single dynamic puts pharmaceutical companies in somewhat of a conflict around developing a treatment and making that treatment available to everyone who needs it. There were only 50,000 people in 2003 who were on anti-retrovirals in all of sub-Saharan Africa, and the reason for that is that there were very few people in sub-Saharan Africa who could pay for it. There are now many examples of pharmaceutical companies who have engaged with generic manufacturers, mostly in India, some in sub-Saharan Africa, that then produce a generic form of the drug that they work with the generic company to manufacture so it's effective, safe, and then sell their rights for the generic manufacturing of the drug to these drug companies. And they can make a profit from selling it any market they want, but with the eye to target markets that don't have resources to pay a U.S. price for these drugs. So for that HAART therapy, the average cost is \$9,000 a year to \$12,000 a year for those drugs. We've been able with generic manufacturing and with competition to get the price down to about \$400 for first-line therapy in sub-Saharan African settings.